

VZCZCXRO6667

PP RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN
RUEHLZ RUEHNP RUEHPOD RUEHROV RUEHSK RUEHSR RUEHVK RUEHYG
DE RUEHTH #1680/01 3501618
ZNR UUUUU ZZH
P 151618Z DEC 08
FM AMEMBASSY ATHENS
TO RUEHC/SECSTATE WASHDC PRIORITY 2930
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 02 ATHENS 001680

SENSITIVE

SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [PTER](#) [GR](#)

SUBJECT: PM KARAMANLIS DEFENDS GOVERNMENT, PASOK LEADER
CALLS FOR ITS REPLACEMENT

SENSITIVE BUT UNCLASSIFIED Q PROTECT ACCORDINGLY

11. (SBU) SUMMARY: Despite mounting domestic criticism of his handling of the recent demonstrations and violence, PM Karamanlis defended his government's restrained approach and criticized opposition parties for failing to come together during the crisis at a December 12 press conference in Brussels. Karamanlis denied he was planning a cabinet reshuffle and defended his government's economic policies. At a December 14 party leadership meeting, opposition PASOK President Papandreu called for the Karamanlis government to step down and for early elections. Papandreu argued the recent demonstrations stemmed from young people's discontent at the corruption and lack of economic opportunity offered by the current government. Far left and far right parties continued to criticize the government and each other for their roles in the crisis.
END SUMMARY.

KARAMANLIS STAYS THE COURSE

12. (SBU) On December 12, after the conclusion of the European Council in Brussels, PM Karamanlis told a press conference his government had no intention of resorting to "tougher measures" against ongoing violent demonstrations. Karamanlis further rejected media speculation that he would take Greece to an early election or that he was in danger of losing the leadership of the New Democracy party and the premier's job. The PM reiterated his strategy of letting the upheaval subside through "natural depressurization," though he admitted the country was going through a rough period. Karamanlis also expressed disappointment in the lack of consensus with opposition leaders on how the country should proceed in the face of unrest. "I am not entirely satisfied with the response of political leaders to my request for broader political and social consensus on isolating the extremists," Karamanlis said. "In an open society, it is natural that there are voices of protest," yet, he added, these voices under no circumstances should provide ways of "legitimizing blind violence."

13. (SBU) Karamanlis denied he was thinking of a cabinet reshuffle to replace ministers who oversee security services. The PM also answered questions on the economy and the potential damage to Greece's reputation as a safe and secure country. Despite an ever-widening spread between the German and Greek 10-year bonds that is a reflection of the market's perception of Greek risk and will make government borrowing more expensive, Karamanlis said Greece would continue to meet its borrowing needs without difficulty. He did, however, acknowledge "one of the weaknesses" of the Greek economy was external debt.

PASOK LEADER CALLS FOR CHANGE IN GOVERNMENT

14. (SBU) On December 14, PASOK leader George Papandreou addressed his party's National Council (formerly the central committee) to demand yet again that the Karamanlis administration step down and the country go immediately to elections. PASOK, Papandreou said, "is ready not only to govern but to unite all Greeks on the basis of a radical program for a Greece of principles, transparency, dignity, progress, and social cohesion." PASOK, Papandreou stressed, understood the country's problems in contrast to the "catastrophic policies" of the government in power. "We have learned from our mistakes," Papandreou insisted, adding that his party was ready and able "to stop" Greece's downward slide.

15. (SBU) Papandreou said his party understood the country required "deep reform" and could not continue with a system that produce constant) crises. PASOK, he said, had the experience to lead Greece against the "neo-conservative" New Democracy government. Papandreou stressed that the rebellion of youth stemmed from their seeing that their own country did not really belong to them but, rather, to those associated with government nepotism and corruption. The "cold-blooded killing" of the teenager on December 6, Papandreou concluded, demonstrated the deep crisis the country was in -- while PASOK aimed not to divide but to unite the people and all "progressive forces" for a new "national social contract."

OPPOSITION QUARRELS

16. (SBU) The riots have also energized the parties of the minor opposition into a war of words. The Communist Party

ATHENS 00001680 002 OF 002

(KKE) has condemned the violence but has also severely criticized both the government and PASOK for their "permanent quest to suppress the working class." KKE President Papariga has also publicly challenged the other leftist party in Parliament -- the Coalition of the Left (SYRIZA) -- for its "irresponsible" statements that have fomented violence, while sniping at SYRIZA's "bogus" left credentials. The nationalist Popular Orthodox Rally (LAOS) party has also publicly criticized SYRIZA for allegedly instigating and supporting the anarchists against the police. SYRIZA chairman Alexis Tsipras, under pressure from such accusations and in the face of polling data showing that SYRIZA's close association with the rioters has affected its political standing, held a press conference to call for early elections, but also to "openly" denounce violence and suggest that the anarchists and their tactics "can lead nowhere."

COMMENT

17. (SBU) Despite mounting criticism about the government's response to the riots, Karamanlis appears determined to stay the course of a restrained approach to street violence, apparently to avoid any further bloodshed that could enflame the country. PASOK President Papandreou appears equally determined to capitalize on public dissatisfaction with the government's response.

SPECKHARD